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**CMS/**
**CENTERS for MEDICARE & MEDICAID SERVICES**

**DATE:** March 31, 2004

**LETTER TO:** Exclusive Drug Card Sponsors

**SUBJECT:** Medicare Discount Drug Card Enrollment Process for Managed Care Organizations (MCOs) that are Exclusive Drug Card Sponsors – **ACTION**

This letter provides instructions on how to initially enroll current members, and the process to enroll new members of your MCO into the discount drug card benefit that you are offering. **The process described below does not include enrollment of members requesting transitional assistance (TA).** If a current member is requesting TA, a separate transaction must be submitted directly to the CMS Drug Card Enrollment and Eligibility Verification System (EEVS). (See the section in this letter on enrolling new members for options regarding the TA enrollment process.)

ENROLLMENT OF CURRENT MEMBERS

There are two methods involved because MCOs have chosen two different ways to offer this benefit.

(1) Some MCOs have elected to offer the discount drug card at no cost to all members in specified plan benefit packages (PBPs). In this situation, once CMS knows which PBPs are involved, we can identify the drug card members and submit enrollment transactions on behalf of the MCO to the EEVS. This is called **Deemed Enrollment.** No Drug Card enrollment transactions are required from these MCO's (except for TA as noted above).

(2) Some MCOs have elected to offer the discount drug card as an optional supplemental benefit and not all members of the PBP may elect this option. In this situation, CMS cannot identify which members to submit to the EEVS. The MCO must submit transactions to the CMS Managed Care system (GHP) before we can create and transmit drug card enrollment transactions to the EEVS. This is called **Selective Enrollment.**

**Deemed Enrollment of Current Members**

- MCOs identify which PBPs include the no-cost discount drug card as a benefit to all members. CMS will obtain this information from approved applications in the Health Plan Management System (HPMS).
  **NOTE**: Cost-Based organizations must use the selective enrollment process for their members unless we are notified that all members should be enrolled. This is because CMS does not track enrollment at the PBP-level for cost plans.

- CMS will then use the GHP system to transmit drug card enrollments to the EEVS for members of the identified PBPs, as reflected on the 5/2004 monthly membership report (MMR) with an effective start date of 6/1/2004.

NOTE: For deemed members that opt not to accept the discount drug card, MCOs may submit disenrollment transactions as described below in the Selective enrollment process. The action code would be set to I for drug card disenrollment.

**Selective Enrollment of Current Members**

- MCOs submit transactions for members electing the discount drug benefit. This transaction will be a new type = 02 if using the GHP process. It will be similar to the 01 correction transaction with the addition of your drug card number, product ID number, an effective date (which should be set to 20040601) and an action code (set to H for drug card enrollment). The new transaction type 02 can be included in your monthly transmission file(s) to the GHP. See Attachment B for the record layout.

- The GHP system converts these 02 transactions and transmits them to the EEVS.

NOTE: MCOs can submit (or have SMS submit) new enrollment transactions through SMS or directly to EEVS. Use of the GHP Transaction type 02 process is one of three options and is not required.


ENROLLMENT OF NEW MEMBERS
There are three options for this process.

- **Option 1 -** MCOs contract with Systems Management Specialists (SMS) to submit drug card enrollment information (for TA and nonTA members) directly to the EEVS. (More information on cost reduction will be forthcoming.)

- **Option 2 -** MCOs submit drug card enrollment information (for TA and nonTA members) directly to the EEVS.

- **Option 3 -** MCOs submit nonTA drug card information to the GHP system and submit (or contract with SMS to submit) TA drug card information to the EEVS or SMS.

**Option 1 - MCOs contract with Systems Management Specialists (SMS) to submit all drug card enrollment information (for TA and nonTA members) directly to the EEVS.**
MCOs can choose to contract with SMS. SMS will convert MCO drug card information for TA and nonTA members into the required formats and transmit them to the EEVS.

**Option 2 - MCOs submit all drug card enrollment information (for TA and nonTA members) directly to the EEVS.**
MCOs install a CMS-sponsored T1 telecommunications link to the EEVS and transmit all drug card transactions per the formats in the Systems Test Package located on the website http://www.cms.hhs.gov/discountdrugs.

**Option 3 - MCOs submit nonTA drug card information to the GHP system and submit (or contract with SMS to submit) TA drug card information to the EEVS.**
MCOs submit transactions for nonTA members electing the discount drug benefit. This transaction will be a new type = 02. It will be similar to the 01 correction transaction with the addition of your drug card number, product ID number, an effective date and an action code (set to H for drug card enrollment). The new transaction type 02 can be included in your monthly transmission file(s) to the GHP. The GHP system converts these transactions and transmits them to the EEVS.

MCOs must use Option 1 or Option 2 to enroll new TA members. This is due to the confidentiality of the information housed and used in EEVS to make the TA determinations.

DRUG CARD SPONSOR EXCEPTION REPORT

For MCOs that elect to use Option 3, there will be a monthly report file that will identify which drug card enrollment transactions failed to be processed by the EEVS. It will be available in Grouch and list the beneficiaries and the exception reason codes. See Attachment A for the file layout and reason code definitions. SMS users will also be provided with responses. More information on this is provided in the SMS instructions.

DISENROLLMENTS
**For nonTA members,** MCOs do not need to submit disenrollments under any of the 3 options described above. When the GHP system communicates the MCO disenrollment to EEVS, the member will be automatically disenrolled from the exclusive drug card.

**For TA members,** disenrollments must be submitted as soon as possible to the EEVS (by the MCO or by SMS).

TIMING BETWEEN GHP AND EEVS

In some situations, drug card enrollments and disenrollments may be delayed due to timing differences in processing between the GHP and EEVS. The transactions received from the MCOs are not processed by GHP until mid-month. Enrollment and disenrollment information related to the exclusive drug cards would not reach the EEVS until the monthly reports are available. As a result, the monthly drug card exception report will not be available until after EEVS has processed the GHP transactions. MCOs must consider these timing implications in confirming drug card enrollments/disenrollments to their members. See the examples below.

Example – nonTA member
- Beneficiary enrolls in MCO/Exclusive Drug Card effective July 1, 2004.
- MCO transmits MCO/sponsor enrollment transactions to CMS by July 16, 2004.
- CMS confirms MCO enrollment to the MCO on July 25, 2004.
- GHP sends the enrollments (MCO and sponsor enrollments) to the EEVS on July 26, 2004.
- EEVS responds to GHP on July 27, 2004.
- Drug Card Sponsor Exception Report available on July 29, 2004.

Example – TA member
- Beneficiary enrolls in MCO/Exclusive Drug Card effective July 1, 2004.
- MCO transmits MCO enrollment transactions to CMS by July 16, 2004.
- CMS confirms MCO enrollment on July 25, 2004 to the MCO.
- GHP sends the MCO enrollment to the EEVS on July 26, 2004.
- Exclusive Drug Card Sponsor submits TA enrollment transactions to EEVS on July 26, 2004.
- EEVS responds to Sponsor within 72 hours.

TESTING/SUBMITTAL TIMEFRAMES

MCOs can submit a test file containing transaction type 02s beginning May 5, 2004.

MCOs utilizing the Selective enrollment process, can submit transaction type 02s to production beginning May 12, 2004. As stated previously, the transaction type 02s can be included in your monthly MCO enrollment/disenrollment files. The systems cut-off day is May 14, 2004.

GHP will transmit deemed and selective enrollments (received by May 14, 2004) to the EEVS on May 24, 2004.

A letter providing you with information on the testing process will be forthcoming.

<u>CONTACT INFORMATION</u>
If you have any questions regarding the drug card enrollment process related to the GHP, please contact your central office representative.  Please see the attached list if you are not sure who your DEPO representative is.

If you have questions regarding the drug card enrollment process relating to the EEVS system, submit an e-mail to that mailbox - EEVS_Sponsors@cms.hhs.gov.

If you have questions regarding SMS, please contact the Medicare Account Representative at 714.986.8733.

Sincerely,

/s/

Marla K. Kilbourne
Director
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Attachments (3)

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# ATTACHMENT A
## DRUG CARD ENROLLMENT EXCEPTION REPORT

| # | FIELD | SIZE | POSITION | REMARKS |
|---|---|---|---|---|
| 1 | Drug Card Sponsor ID Number | 5 | 1 – 5 | Sponsor identification number Format: DXXXX |
| 2 | Run Date | 8 | 6 – 13 | Date that the file was created. |
| 3 | Claim Number | 12 | 14 - 25 | Beneficiary's Health Insurance Claim Number (HIC #) |
| 4 | Surname | 12 | 26 – 37 | Beneficiary's Last Name |
| 5 | First Initial | 1 | 38 – 38 | Beneficiary's First Initial |
| 6 | Sex | 1 | 39 – 39 | Gender of the Beneficiary Format: M = Male and F = Female |
| 7 | Date of Birth | 8 | 40 – 47 | Beneficiary's Date of Birth Format: YYYYMMDD |
| 8 | Product ID Number | 3 | 48 – 50 | Drug card product identification number Format: XXX |
| 9 | Exception Reason Code | 2 | 51 – 52 | Reason transaction failed to be processed by EEVS. |
| 10 | Filler | 27 | 53 - 80 | Spaces |

## EXCEPTION REASON CODES

| REASON CODE | DEFINITION |
|---|---|
| 01 | Beneficiary is deceased. |
| 02 | Beneficiary is already enrolled in a drug card under the same sponsor. |
| 04 | Beneficiary is not Medicare eligible. |
| 05 | Beneficiary is enrolled in Medicaid with drug coverage. |
| 11 | Beneficiary has another pending drug card enrollment. |
| 13 | Beneficiary is enrolled in an exclusive MCO and cannot enroll in outside drug cards. |

# ATTACHMENT B
## TRANSACTION TYPE 02 - DRUG CARD ENROLLMENT/DISENROLLMENT

| FIELD | SIZE | POSITION | REMARKS |
|---|---|---|---|
| Claim Number | 12 | 1 – 12 | Beneficiary's Health Insurance Claim Number (HIC #) |
| Surname | 12 | 13 – 24 | Beneficiary's Last Name |
| First Name | 7 | 25 – 31 | Beneficiary's First Name |
| Middle Initial | 1 | 32 | Beneficiary's Middle Initial |
| Action Code | 1 | 33 | H = Drug Card Enrollment<br>I = Drug Card Disenrollment |
| Filler | 13 | 34 – 46 | Spaces |
| Drug Card Sponsor ID Number | 5 | 47 – 51 | Sponsor identification number Format: DXXXX |
| Date of Birth | 8 | 52 – 59 | Beneficiary's Date of Birth Format: YYYYMMDD |
| Transaction Code | 2 | 60 – 61 | Transaction code = 02 |
| Product ID Number | 3 | 62 – 64 | Drug card product identification number. Format = XXX |
| Enrollment/Disenrollment Effective Date | 8 | 65 – 72 | Effective date of the enrollment. Format = YYYYMMDD |
| Sex | 1 | 73 - 73 | Gender of the Beneficiary Format: M = Male and F = Female |
| Filler | 7 | 74 - 80 | Spaces |